

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INQUIRY INTO THE COMMUNITY OF INTEREST)	
AND AFFECT THEREOF BETWEEN THE AREAS)	CASE NO.
OF GEORGETOWN, KENTUCKY AND LEXINGTON,)	91-149
KENTUCKY)	

O R D E R

On November 25, 1991, the Commission issued an Order finding a strong community of interest between and among the Georgetown and Lexington locales. It further found that extended area calling should be provided to and available for all customers between the Lexington exchanges, the Midway exchange, and the Georgetown exchange on a flat-rate basis. The Order also required that South Central Bell Telephone Company ("South Central Bell") and GTE South Incorporated ("GTE South") file reports with the Commission containing an update of necessary construction including a projected completion date, an evaluation of proposed rates, and a verification that engineering efforts are being coordinated.

This Order addresses the replies provided by GTE South and South Central Bell. In its replies of December 10, 1992 and January 6, 1993, South Central Bell lowered its estimated additional annual revenue requirement for access revenue loss, incremental investment and expenses from \$564,913 to \$384,280. Likewise, GTE South in its replies of December 10, 1992 and February 8, 1993 lowered its estimated additional annual revenue

requirements similarly from \$930,744 to \$817,675. These reductions were primarily due to reduced access rates.

Based on a review of the aforementioned reductions in revenue requirements, rates for the affected exchanges are as follows:

For those Georgetown exchange customers of South Central Bell: residence - single line, \$13.42 and business - single line, \$36.02. These rates represent a total increase over existing rates of \$2.25 and \$7.92, respectively. In addition, these rates include the effect of regrouping and should be the basis for all rates having a tariffed relationship to them.

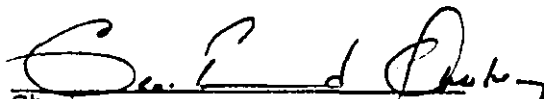
For those Midway exchange and Lexington exchange customers of GTE South: residence - single line, \$17.48 and business - single line, \$48.07. These rates represent a total increase over existing rates of \$.34 and \$.93, respectively and, as stated above, these rates should be the basis for all rates having a tariffed relationship to them.

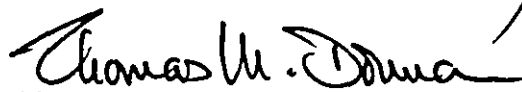
Both companies verified coordinated engineering efforts and completion date of June 26, 1993.

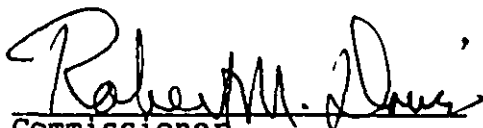
Based on the evidence of record and being otherwise sufficiently advised, the Commission HEREBY ORDERS that South Central Bell and GTE South shall file tariffs to be effective June 26, 1993 reflecting the above-mentioned rates for customers in the Georgetown exchange, the Midway exchange, and the Lexington exchanges, as applicable. These tariffs shall be filed at least 30 days prior to the effective date.

Done at Frankfort, Kentucky, this 25th day of February, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director